

CHAPTER 2

HEALTH AND HUMAN SERVICES

Introduction

The health and human services function in California is the second largest area of expenditure in state government after education. Spending on health and human services programs is projected to be \$64.8 billion in total funds and \$24.6 billion in state general funds in fiscal year 2004–05. The budget funds many essential services for Californians including:

- Health care for nearly 8 million people
- Income assistance for 2.4 million people
- Food assistance to nearly 3 million people
- Job preparation and work support services to 1.2 million CalWORKs recipients and 79,000 disabled individuals
- Emergency services and family counseling to families, including 176,000 children whose home and family situation poses a danger to them
- Foster care services for 90,000 children
- Purchased services and case management to 199,000 children and adults with developmental disabilities
- Public health services to all Californians including monitoring of diseases, oversight of drinking water systems, and assessments of environmental health hazards

The CPR found that health and human services in California are costly to administer, have programs that deliver similar services with duplicate delivery systems, use out of date methods and tools to administer service programs, and do not maximize federal funds available to support services to Californians.

To improve the state's health and human services delivery, CPR identified and researched 33 separate issues that contain 108 recommendations. The recommendations are designed to improve the delivery of health and human services at both the state and county government levels by:

- Delineating clear lines of responsibility and accountability for the operation of programs.

- Securing current and new federal funding.
- Streamlining paperwork processes.
- Consolidating offices to increase efficiency and consistency.
- Using technology to better implement programs.

It is estimated that these recommendations total \$4.9 billion in savings over the next five years.

CPR COMMISSION HEARING

The CPR commission hearing on Health and Human Services was held at the University of California, San Diego on August 20, 2004. Three panels of expert witnesses, representing a broad array of public opinion, testified in front of the Commission. The panels were organized by the following subject areas:

- Health and Human Administrative Services Delivery
- Health and Human Services Advocates
- Health and Human Services Provider

In total, 20 expert witnesses presented oral testimony to the Commission.

SUMMARY OF PUBLIC COMMENT

In total, 694 comments were received on the Health and Human Services recommendations of the CPR report. It should be noted that the more in-depth comments focused on the major issues of eligibility simplification and service realignment. Given the magnitude of these two items, there was a consensus that these meaningful public policy issues deserved examination and should be changed to improve access, services, and wise utilization of public resources.

HHS 01

TRANSFORM ELIGIBILITY PROCESSING

ISSUE

Medi-Cal, CalWORKs, and Food Stamp eligibility processing should be centralized and consolidated at the state level to improve services and save resources. The current eligibility processing for these programs is slow, difficult for applicants to access, and expensive. The current process is operated through county welfare departments and relies on a face-to-face application process that is both paper and labor intensive. In most of these counties applications can be made only from 8:00 a.m. to 5:00 p.m. Monday through Friday. For low income working people who are seeking Medi-Cal or food stamps, this approach is an

HHS 01

"A thorough review of ways to streamline the eligibility processes should thus begin with the issue of program simplification—the what—and only then move into the question of who."

Will Lightbourne
President
County Welfare Directors Association
of California
Written Testimony

inconvenience that may cost them wages from missed work. The overall system does not take into account modern technologies and modern business practices to reduce labor cost and improve access and convenience.

SOLUTIONS

- *Centralize and consolidate eligibility processing for Medi-Cal, CalWORKs, and Food Stamps at the state level and follow a model with telephone and Internet access similar to California's Healthy Families Program utilizing a public-private partnership.*
- *Adopt a self-certification process for the asset test with strong penalties for applicants who falsify information. The use of technology to match applicants' information with state wage and tax records can identify assets and earnings in a speedy manner.*
- *Begin a public awareness program component for the transition to an Internet and telephone-based eligibility system so that transition to the new system is achieved smoothly.*
- *Pay a one-time application assistance fee of \$50 for the Healthy Families, Medi-Cal, CalWORKs, and Food Stamp programs to certified application assistants who assist applicants with the application process.*
- *Authorize the same contracting authority for this contract as is now granted to the California Medical Assistance Commission, the Managed Risk Medical Insurance Board, and Medi-Cal managed care contracts.*

PUBLIC COMMENT

Support for this proposal was mixed. The supporters, led by health care advocates, envisioned more current technology applied to the process to improve the speed of and access to program eligibility. Opponents believe that all applicants require face-to-face assistance with the application process. In particular, the counties blame the state and federal governments' laws, rules, and regulations for the complicated process. The counties believe that eligibility must be performed by a government employee and that it cannot be delegated to a private contractor.

51 comments were received for this recommendation. 13 comments expressed support. 34 comments expressed opposition. 4 comments were neutral.

Pros

- An Internet-based eligibility process would be more user friendly by not requiring face-to-face interviews in county welfare offices.

- An Internet-based eligibility process would better serve clients by speeding up the process.
- Payment of an application assistance fee would better serve applicants by allowing the places that potential recipients of services go for help, such as community-based organizations, to assist in the application process. This would save resources compared to the large county welfare departments.
- Self-certification of assets would save processing time and money, be friendlier to applicants, and reduce a significant enrollment barrier by reducing complexity in the process. Government can develop timely computer matches and strong penalties for falsification to deal with applicants who provide false information.
- Technology can be used to improve the eligibility process and save resources.
- Mobile populations, such as migrant workers that frequently move, would be better served by an Internet-based eligibility process.
- The \$50 application assistance fee will create an incentive for local organizations to assist with enrollment in the programs.

Cons

- CPR should have focused on which eligibility requirements need reforming before focusing on how eligibility is processed. CPR should have first simplified the eligibility requirements for all the programs.
- Eligibility is a unique government function, required in federal regulations to be determined by government employees.
- Eligibility for Medi-Cal, CalWORKs, Food Stamps, and Healthy Families is complex and different by program. Most applicants will require assistance.
- The use of a private contractor in Healthy Families has experienced problems, and Healthy Families is not a good model because it has a simplified application for children only.
- An Internet-based eligibility process would displace approximately 17,000 county eligibility workers.
- The proposal for an Internet-based eligibility process is too heavily focused on Medi-Cal and does not account for some of the more difficult eligibility requirements of CalWORKs or Food Stamps.

- County eligibility workers are doing what is asked of them. They should not be penalized by making the system complex and expensive.
- The Managed Risk Medical Insurance Board (MRMIB) open process is what is better about MRMIB, not its eligibility system.
- Applicants who apply to these programs may not have access to the Internet and will not use it to establish eligibility.
- A contracting out system makes the profits of the contractor more important than good service to applicants.
- An Internet-based application will not be confidential and there is significant confidential information in an application.
- Clients were not consulted in the development of the proposed Internet-based eligibility system.
- Streamlining the current county-based system through simplification would be a far better solution for the eligibility process in Medi-Cal, CalWORKs, and Food Stamps.
- Privatization is not proven to be a better option for an eligibility system.
- An Internet-based eligibility process puts at risk the important gains made by several localities in California to cover all uninsured children by putting the eligibility system for those programs in jeopardy.
- A privatized, Internet-based eligibility system would cause dedicated and trained county eligibility workers to be replaced by lower paid private contractor staff.
- A Internet-based eligibility process circumvents current safeguards built into the process for applicants.

Considerations

- The cost of the current eligibility process (\$337 per eligible) is nearly the highest in all of the United States. It needs to be streamlined to save government funds and improve service to applicants.
- Modern business practices have not been applied to the eligibility process. The wider use of self-service by applicants has been used in banking, real estate lending, and travel industries to reduce costs. Similar concepts could be applied in these human service programs.
- The use of technology in the eligibility process presents the rare combined opportunity of better service and fiscal savings.

- Consideration of the use of a private contractor to perform the eligibility process is a departure from the past practice of “government only” in determining eligibility.
- Consideration of a major displacement of county employees (up to 17,000 employees) is a major local workforce issue. The affected work group has a 40 percent annual turnover and funds that are freed up could be redirected to other state and county services. A mitigation factor for employees is that the redirected funds could support additional workers in other county programs.
- An Internet-based eligibility process may cause difficulties with established fast track eligibility programs such as the Children’s Health Diagnosis and Prevention (CHDP) Gateway Program.
- Under an Internet-based eligibility process, selected eligibility functions would continue to be performed at the county level, such as eligibility for general relief. The main role of the counties should shift to prepare applicants for training and employment and to arrange for support services such as transportation and child care to maintain employment.

HHS 02

REALIGNING THE ADMINISTRATION OF HEALTH AND HUMAN SERVICES PROGRAMS

ISSUE

The quality of indigent health care and children’s services can be improved through a realignment of state and county program responsibilities. Realignment will improve program effectiveness and more clearly delineate authority and accountability for program outcomes for the appropriate level of government. Elimination of unnecessary levels of administration and oversight and the focus on true performance outcomes will have a long-term benefit of reduced costs.

SOLUTIONS

- *Convene a working group comprised of representatives of county governments, the legislature, and the administration, and charge it to develop a realignment implementation plan for Health and Human Services (HHS). The recommended elements of this realignment should include:*
 - *Amendments to the Welfare and Institutions Code to relieve counties of the responsibility for indigent health care and transfer responsibility for funding and administering the Medically Indigent Adult (MIA) Program to the state.*

- *Realign responsibility for administration and non-federal funding of the In-Home Supportive Services (IHSS) Program to the state.*
- *Realign all remaining state-administered and funded mental health services to the counties.*
- *Realign Child Welfare Services (CWS) to give full responsibility for nonfederal program and funding to the counties.*

PRINCIPLES

- Any discussion of realignment of services between the state and counties should develop a strong partnership for the delivery of services. The development of this partnership should carefully consider the following:
 - Program responsibility should be supported by stable, reliable, and predictable sources of funding for services. Maximization of federal funding should be a consideration in all cases.
 - Program effectiveness should be measured by true program outcomes, not process measures.
 - Policy and budget development should be guided by the program outcomes.
 - A determination of what services are best provided in local communities, reflecting local values and cultures.

PUBLIC COMMENT

29 comments were received for this recommendation. 5 comments expressed support. 12 comments expressed opposition. 12 comments were neutral.

Pros

- Realignment is a worthwhile effort because there is duplication in the current state/county relationship that includes Child Welfare Services, In-Home Supportive Services, and health care services.
- Adopting statewide standards for the medically indigent who are now the responsibility of counties that have different eligibility standards could be beneficial.
- Eliminating process and paperwork requirements in Child Welfare Services would allow counties to focus on children's needs appropriate to each local area (county).

- If the state were responsible for the medically indigent, the state would be better positioned and have incentives to secure federal participation for caring for the medically indigent.
- Relieving the counties of their Section 17000 responsibility to pay for indigent medical services would be positive for recipients of the services and for counties because the state is better positioned to achieve cost containment and federal financial participation.
- Creating a state-operated medically indigent program could be beneficial for mobile populations, such as migrant workers, because of a single eligibility system.
- Making IHSS a single state program may be desirable because of the impact of the growth of the IHSS program, its heavy reliance on federal Medicaid funding, and the federal requirement of uniformity.

Cons

- Making IHSS a state-administered program would require a redefinition of the IHSS worker employment status which could disadvantage IHSS workers and beneficiaries and place more employer responsibilities with the state.
- The Medi-Cal EPSDT program for children is an entitlement program, and counties would be assuming the complete responsibility for an entitlement program without a guarantee of funding for the program.
- The proposed transfer of both the operation and funding of the Child Welfare Services Program to the counties will not insure statewide consistency and will be criticized by children's advocates.
- A state-operated IHSS program located in a medical services agency could create more barriers to recipients for receiving care which is not primarily medical in nature.
- Realigning entitlement and non-entitlement programs disadvantages the non-entitlement programs over time because the entitlement programs receive all of the funding. An example is that IHSS, as an entitlement program, is consuming most of the revenue growth available to realigned non-entitlement mental health programs.

Considerations

- There is broad general support for working on a realignment, but advocates of the specific programs are concerned about the impact on services as a result of any change.

- The proposed realignment requires many changes in a complex area of law and could have many unanticipated consequences.
- An initiative on the November ballot, if adopted, could provide significant limitations on the transfer of state-mandated programs and funding between the state and local counties.
- Transferring the administration of the IHSS program to the state must ensure that care provider-recipient of service and employer-employee relationship is maintained.
- Transfer of all responsibilities for medical care to the state must consider the responsibility of assuring health services to this population and assign a revenue stream that is sufficient to assume future costs.
- The state must carefully consider its relationship with the federal government for programs that are transferred to the counties.

HHS 03

IMPROVE THE PERFORMANCE AND REDUCE THE COST OF CALIFORNIA'S CHILD SUPPORT PROGRAM

ISSUE

California's Child Support Enforcement Program continues to perform below the national average on critical federal measures, placing the program at risk for financial sanctions and reduced federal incentive dollars. California should implement competitive contracting for the delivery of child support services at the local level to reduce cost and improve the program's performance.

SOLUTIONS

- *Remove the county child support departments as the designated entity to deliver Child Support Enforcement Program (CSEP) services at the local level and competitively bid contracts to either public or private entities to provide local CSEP services.*
- *Develop performance standards for these contracts.*
- *Begin the contracting process in the poorest performing counties as measured by the federal performance standards.*

PUBLIC COMMENT

15 comments were received for this recommendation. 3 comments expressed support. 11 comments expressed opposition. 1 comment was neutral.

Pros

- A competitively bid child support program would improve services to those needing child support enforcement services by developing a performance-based contract that would periodically be re-bid.
- A competitively bid child support program would save significant state resources when implemented by reducing costs and better performance-preventing federal penalties.
- Counties administer the current child support program and are not at risk for failure to perform.

Cons

- The current child support administrative system, including the development of the creation of the state Department of Child Support Services, and the creation of new county departments to administer child support at the local level, is only about five years old. The system needs a chance to work. Further, the state is developing a major technology system to track child support with the Franchise Tax Board that is on schedule for 2007. Interference in the progress of this system will be detrimental to the program.
- The potential of contracting with private entities for a traditional public service that includes the potential of involuntary payments by those owing child support is not warranted.
- No privatization of health and human services programs is desirable or supported by presented facts.
- The experience cited by CPR of other states that contract out for child support services is not as positive as portrayed in the report.

Considerations

- The specifics of the competitively bid contracts are critical to assure acceptable performance standards.
- The proposed competitive bid for collections at the local level is a major departure from the recently enacted state-county relationship in the child support program.

HHS 04

SIMPLIFY CALIFORNIA'S SUBSIDIZED CHILD CARE SYSTEM TO DELIVER BETTER SERVICE TO FAMILIES

ISSUE

California's subsidized child care system is cumbersome and complicated due to the division of responsibilities for administering CalWORKs' child care between two state agencies, different agencies at the local level with responsibility for different parts of the system, and state budget and operational policies. Simplifying the system would reduce unnecessary administrative burdens and better serve families and children.

SOLUTIONS

- *Merge CalWORKs child care Stages 1 and 2, and place responsibility for administration of child care for CalWORKs recipients under county welfare departments until families leave aid, effective July 1, 2006. When families no longer receive cash assistance, they would transition to a single set-aside in the California Department of Education's (CDE) voucher program for low-income families.*
- *Direct CalWORKs agencies to urge families to get on waiting lists when they begin participating in CalWORKs, but specify that CalWORKs families would not become eligible to move out of the set-aside funding until they had been off cash aid for two years.*
- *Reduce the number of CDE contracts by consolidating all dual-contract programs (federal/state) into single contracts; eliminating the latchkey program (with the option for agencies to convert their latchkey program to a general child care and development program); and converting the wrap-around preschool program into a general child care and development program.*

PUBLIC COMMENT

10 comments were received for this recommendation. No comments expressed support. 6 comments expressed opposition. 4 comments were neutral.

Pros

- No testimony submitted.

Cons

- Department of Education administration of all CalWORKs child care programs would better simplify and make workable the programs.

- The proposed solutions perpetuate a fragmented system in which both CalWORKs and CDE have substantive and sometimes conflicting roles.
- Federal rules will not allow for the proposed solutions because it prohibits the change in rank for child care services.
- All three of the proposed solutions move money around, but do not provide for any additional services.
- Before and after school latchkey programs are critical to the care of children.
- Additional resources for child care would be a much better way to remove families from child care waiting lists.

Considerations

- Directing CalWORKs agencies to urge families to get on waiting lists when they begin participating in CalWORKs, but specifying that CalWORKs families would not become eligible to move out of the set-aside funding until they had been off cash aid for two years, is intended to make CalWORKs child care more equitable by putting recipients on a “first-come, first-served” basis.
- A major consideration for the delivery of child care in California is to simplify the system of administration and financing of child care so that clients of the child care system are not confused by the system of stages and programs that currently exists.
- Child care should be administered in the California Department of Education because of the combination of child care and school services.
- Child care should be administered in the Department of Social Services because of the connection of welfare to work and employment.
- Interagency cooperation between the county CalWORKs program and school districts is working in Kern County under what is known as the Kern System.
- Merging CalWORKs child care Stages 1 and 2 could simplify and make the CalWORKs child care program more workable.

HHS 05

IMPROVING PROTECTION FOR CHILDREN RECEIVING CHILD CARE FROM UNLICENSED PROVIDERS

ISSUE

Current state policies regarding criminal background clearances for unlicensed, subsidized child care do not provide adequate protections for children due to delays in obtaining information on providers with criminal or child abuse backgrounds.

SOLUTIONS

- *Limit approval of child care provider reimbursements pending criminal background check clearance to the standard processing time for clear records (60 days to allow for manual fingerprint delays).*
- *Require applications for background check clearance—including fingerprints—be made within two weeks of the beginning of child care service instead of the current requirement of 28 days.*
- *Deny payment to providers pending background check clearance if the applicant has declared on his or her application that he or she has been convicted of a crime.*
- *Expedite the approval of the expanded criminal background check contract—based on the Kern County test program—to eliminate delays in processing and matching applications and fingerprints, improve data quality, and free staff resources for other higher priority work.*

PUBLIC COMMENT

7 comments were received for this recommendation. 4 comments expressed support. 3 comments expressed opposition.

Pros

- Expedited processing of criminal background checks is desirable because it would be safer for children.
- E-mail notifications to child care providers of approval for hiring provides better service.
- Background checks should be completed before any child is placed in child care.

Cons

- The current system needs more staff, not reorganization.
- Many unlicensed child care providers are relatives of the children they care for. Families are in the best position to judge a child's safety when there is relative care.
- The proposed solutions are too broad and might actually cause longer delays.
- Providers of child care services have rights of due process that should be recognized and valued.

Considerations

- No testimony submitted.

HHS 06

FOSTER CARE CRIMINAL BACKGROUND CHECKS

ISSUE

Prospective foster parents who have already passed a background check in one county must be checked again before they can care for a foster child in another county.

SOLUTIONS

- *Modify existing county foster care licensing contracts to remove the responsibility to conduct criminal background checks, and make the necessary arrangements to conduct the background checks by the state.*
-

PUBLIC COMMENT

All 3 comments received support this recommendation. No opposing or neutral comments were received.

Pros

- Making the state responsible for background checks would prevent abuse by not allowing persons with criminal backgrounds to be foster care parents and would also prevent the need for multiple background checks.
- Making the state responsible for background checks would improve access to services by not keeping foster parents waiting for clearance when they have already been cleared in another county.

Cons

- No testimony submitted.

Considerations

- No testimony submitted.

HHS 07

INCREASE SUBSIDIZED CHILD CARE QUALITY

ISSUE

Research has identified key elements of high quality child care and shown the importance of such care to outcomes such as school readiness, school success, and life success. The state should reform its reimbursement rates to encourage and reward high quality child care.

SOLUTIONS

- *Change the reimbursement rate for license exempt care to 50 percent of the appropriate family child care home regional market rate ceiling.*
- *Require health and safety training for exempt providers within the first three months of providing subsidized care. The reimbursement rate would be increased to 60 percent of the appropriate family child care home regional market rate ceiling for the first full month following training. Eliminate the current self-certification process.*
- *Increase levels of child care quality that licensed providers can reasonably attain over time. The standards should be based on research linking the standards to measured outcomes.*

PUBLIC COMMENT

6 comments were received for this recommendation. No comments expressed support. 3 comments expressed opposition. 3 comments were neutral.

Pros

- No testimony submitted.

Cons

- No child care provider should receive reduced rates because of the tiered rate. Creating a tiered rate without additional funding will reduce the rate for some child care providers.

- There should be an impact assessment of the proposed solutions on families because families may not be able to access child care services under the proposal.
- Child care providers should receive assistance in order to pay for the required health and safety training.
- The State Department of Education should be the lead agency for all child care assistance because schools are in a better position to assure quality child care.

Considerations

- No testimony submitted.

HHS 08

STATE LEADERSHIP NEEDED TO REPAIR A FOSTER CARE SYSTEM IN CRISIS

ISSUE

The challenges in the foster care system include confusing funding streams, seemingly inequitable foster care payment rates, lack of qualified social workers, too few foster homes, and fragmented service delivery.

SOLUTIONS

- *Designate one organization or individual as the state leader for foster care, vested with the responsibility and authority to coordinate efforts across state agencies to resolve issues and encourage accountability.*
 - *Develop an appropriate assessment tool to measure foster care outcomes in California and mechanisms to address poor county performance.*
-

PUBLIC COMMENT

All 6 comments received support this recommendation. No opposing comments were submitted.

Pros

- Foster care needs state leadership because the foster care program is not meeting the needs of children.

Cons

- No testimony submitted.

Considerations

- The issue contradicts the proposed solution in HHS 02 which recommends that the Child Welfare Services Program be realigned and that counties become responsible for both the administration and funding for the program.
- Physicians have a role in foster care placement and need to be more involved in placement decisions.

HHS 09

FINDING PERMANENT HOMES FOR FOSTER CHILDREN

ISSUE

At any given time in California, more than seven thousand children live in temporary foster homes. These children are in need of a permanent home because they cannot be returned to their parents.

SOLUTIONS

- *Improve recruitment efforts by:*
 - *Issuing public service announcements featuring adoptive parents, using sponsorship and appearances by celebrities, focusing recruitment for foster children ages nine and older:*
 - *Issuing the televised public service announcements in November (National Adoption Month) in two targeted regions each year.*
- *Notify state employees, in their paychecks during November (National Adoption Month), of the existence of the photo-listing of children eligible for adoption.*
- *Pass through federal incentive dollars to counties that may be awarded to the state because of an increase in adoption. These funds should supplement rather than take the place of county funding for adoptions.*
- *Waive the criminal background check if the applicant is a foster parent whose criminal background is current through the department's licensing program.*
- *Pilot using teams to conduct home studies and other duties associated with an adoptions application to shorten the amount of time in approving a family for adoption.*
- *Establish a workgroup to explore whether privatizing adoption would improve outcomes.*

PUBLIC COMMENT

6 comments were received for this recommendation. 5 comments expressed support. 1 comment expressed opposition.

Pros

- Private adoptions are faster, and because a child is moved into permanency sooner, they are more beneficial to children.
- There is much needless duplication of effort in the current system. Waiving the criminal background check if the applicant is a foster parent whose criminal background is current through the department's licensing program would eliminate some duplication.
- Prospective adoptive parents should not have to repeat the entire application process when adopting from a different county or agency.

Cons

- The proposed solutions oversimplify the problem. There are many reasons why adoption services are not adequate. Public service announcements will not solve those problems.

Considerations

- No testimony submitted.

HHS 10

ALIGN STATE LAW REGARDING THE \$50 CHILD SUPPORT DISREGARD PAYMENTS

ISSUE

Despite a change in federal law in 1996, California has continued to pay the first \$50 of a child support collection directly to Temporary Assistance for Needy Families (TANF) recipients.

SOLUTIONS

- *Repeal the requirement for the payment of the \$50 disregard payment to TANF recipients.*
-

PUBLIC COMMENT

8 comments were received for this recommendation. 3 comments expressed support. 5 comments expressed opposition.

Pros

- Repealing the requirement for the payment of the \$50 disregard payment to TANF recipients saves administrative costs because the \$50 payment to TANF families requires an administrative process for adding the payment to the TANF assistance.
- Repealing the requirement for the payment of the \$50 disregard payment to TANF recipients will make the eligibility system more efficient by not requiring the calculation of the child support disregard.

Cons

- Repealing the requirement for the payment of the \$50 disregard payment to TANF recipients penalizes poor people. Poor people are the recipients of CalWORKs benefits; and this recommendation will reduce their assistance payment.
- The child support income disregard increases child support because it acts as an incentive for TANF recipients to insist on receiving child support payments. The \$50 child support disregard also allows persons with slightly higher incomes to qualify for benefits.

Considerations

- No testimony submitted.

HHS 11

USE TECHNOLOGY TO PROMOTE EASE OF USE AND IMPROVE EFFICIENCY IN THE WOMEN, INFANTS AND CHILDREN SUPPLEMENTAL NUTRITION PROGRAM

ISSUE

The California Women, Infants and Children (WIC) program should use the Electronic Benefits Transfer (EBT) system created by the State Department of Social Services (DSS) for the food stamp program to promote ease of use and program efficiency.

SOLUTIONS

- *Utilize the existing Food Stamps electronic benefits transfer network to implement an EBT system for WIC.*
 - *Seek a grant from the USDA to provide funding for implementation of an EBT system.*
 - *Pursue public/private funding partnerships to achieve a state cost-neutral or cost-savings EBT solution.*
-

PUBLIC COMMENT

6 comments were received for this recommendation. 5 comments expressed support. 1 comment expressed opposition.

Pros

- Utilizing the existing Food Stamps electronic benefits transfer network to implement an EBT system for WIC would improve access to WIC and improve the ability of WIC recipients to receive commodities under the program from a broader range of food outlets.
- The electronic EBT process would reduce administrative costs because the voucher system is paper intensive.
- Utilizing the existing Food Stamps electronic benefits transfer network to implement an EBT system for WIC would allow clients access to program benefits without causing long waits in grocery stores while the vouchers are being processed.

Cons

- No testimony submitted.

Considerations

- WIC is more complex than Food Stamps and developing an EBT system for WIC may be more difficult than it is for food stamps.

HHS 12

SIMPLIFY PUBLIC HEALTH FUNDING AGREEMENTS

ISSUE

The California Department of Health Services enters into more than 1,000 separate contracts with 61 city and county health departments for public health services. City and county health departments report that the multiple contracts are unnecessarily burdensome and complex. The state should streamline administrative processes for funding local public health programs, reduce processing times for execution of agreements, and consolidate multiple public health funding sources where appropriate.

SOLUTIONS

- *Authorize allocations, exempt from the Public Contract Code, for provision of public health services by city and county health departments.*
- *Reduce the number of public health agreements by combining multiple programs and reporting requirements.*
- *Simplify public health agreements and emphasize public health outcomes.*
- *Pursue expanding the use of web-based applications to allow submission and review of local health department funding applications, invoices and reports.*
- *Perform a desk audit of the DHS Contract Management Unit after implementing proposed solutions A and B to determine appropriate staffing levels.*

PUBLIC COMMENT

All 4 comments received support this recommendation. No opposing comments or neutral comments were received.

Pros

- Simplification should be the primary goal of public health contracts, as a complex contracting process does nothing to contribute to the quality of services.
- Simplifying public health agreements would eventually help to improve the health of Californians by making public health programs more available.

Cons

- No testimony submitted

Considerations

- No testimony submitted.

HHS 13

CREATE A STATE PUBLIC HEALTH OFFICER TO STRENGTHEN PUBLIC HEALTH IN CALIFORNIA

ISSUE

California's public health system has been criticized for inadequately protecting the public's health. Creation of a statutorily identified state public health officer is a key step in improving the effectiveness of California's public health system and protecting the public's health through coordinated leadership and science-based decision-making.

SOLUTIONS

- *Consolidate all core public health functions into one newly created organization under the direction of a state public health officer.*
 - *Establish a competitive salary for the state public health officer.*
-

PUBLIC COMMENT

6 comments were received for this recommendation. 5 comments expressed support. No comments expressed opposition. 1 comment was neutral.

Pros

- A public health officer would have access to the Secretary of Health and Human Services to bring critical public health issues to the attention of the administration.
- California needs a strong public health presence especially in times of potential catastrophic public health needs.

Cons

- No testimony submitted.

Considerations

- There is support for a state public health officer, but not a state public health department.

HHS 14

MAKE CALIFORNIA'S HIV REPORTING SYSTEM CONSISTENT WITH ITS AIDS REPORTING SYSTEM, AND IMPROVE AIDS REPORTING

ISSUE

California uses a code-based system for reporting Human Immunodeficiency Virus (HIV) cases and a name-based system for reporting cases of Acquired Immunodeficiency Syndrome (AIDS). The code-based system is labor intensive, less accurate, and more complex than the name-based system and risks the loss of federal funding.

SOLUTIONS

- *Permit name-based HIV reporting.*
- *Repeal the current HIV reporting regulations, which require a non-name code and add HIV to the regulation that allows confidential reporting of all other diseases, including AIDS, by name.*
- *Amend the California Code of Regulations for disease reporting to add laboratory reporting of low CD4+ counts to local health departments.*

PUBLIC COMMENT

6 comments were received for this recommendation. 4 comments expressed support. 1 comment expressed opposition. 1 comment was neutral.

Pros

- The proposed solutions should be implemented as soon as possible because they will assure California's qualification for federal funds.
- The proposed solutions will help control the spread of AIDS by making HIV reporting more effective.

Cons

- Repealing the current HIV reporting regulations and adding HIV to the regulation that allows confidential reporting of all other diseases by name might result in a decline in the number of persons being tested because of a lack of confidence in the confidentiality of the data.
- There is no evidence the current system of reporting is failing.

Considerations

- Repealing the current HIV reporting regulations and adding HIV to the regulation that allows confidential reporting of all other diseases, including AIDS, by name is supported as long as confidentiality is protected.

HHS 15

CONSOLIDATE THE STATE'S MENTAL HEALTH AND ALCOHOL AND DRUG PROGRAMS TO BETTER SERVE CALIFORNIANS

ISSUE

California administers its alcohol, drug, and mental health programs in two separate agencies. Consolidating the management of these behavioral health programs will improve coordination of county-administered services to persons suffering from both mental illness and substance use disorders.

SOLUTIONS

- *Consolidate the administration of the state's substance abuse and mental health programs.*
-

PUBLIC COMMENT

329 comments were received for this recommendation. 8 comments expressed support. 320 comments expressed opposition. 1 comment was neutral.

Pros

- Consolidating the administration of the state's substance abuse and mental health programs is desirable. However, federal billing issues will need to be resolved as the federal government insists on separate accounting for alcohol and drug abuse treatment programs.
- Integrated treatment is preferable for most clients because so many clients have dual diagnosis of mental illness and substance abuse.
- Most of the counties in California have behavioral health departments, combined alcohol and drug treatment departments and mental health departments.

Cons

- Alcohol and drug treatment programs need a distinct identity and should be separate to be most effective.
- If consolidated, mental health programs will dominate alcohol and drug treatment programs to the detriment of alcohol and drug treatment programs.
- Consolidating the administration of the state's substance abuse and mental health programs does nothing to increase funding for either of the programs.
- Substance abuse is so critical in California society that it needs a stand-alone department to assure that treatment is as effective as possible.

Considerations

- No testimony submitted.

HHS 16

PROTECT CALIFORNIA'S CHILDREN BY IMPLEMENTING A STATEWIDE ONLINE IMMUNIZATION REGISTRY

ISSUE

California has an opportunity to prevent disease in children while saving money for taxpayers and the private sector. California should provide web-based accessibility to a centralized statewide immunization registry for children to prevent disease and save taxpayer and private sector money.

SOLUTIONS

- *Develop a statewide web-based online immunization registry system.*

PUBLIC COMMENT

All 5 comments received support this recommendation. No opposing or neutral comments were received.

Pros

- Family privacy can and should be maintained in the web-based system.

- The system would provide better data on immunizations, which would be helpful to schools, families, and care providers.
- The new system should function like the Wisconsin web-based system.
- The development of a statewide web-based online immunization registry system should be expanded to include adult immunizations.

Cons

- No testimony submitted.

Considerations

- No testimony submitted.

HHS 17

CITY-LEVEL MENTAL HEALTH PROGRAMS ARE OUTDATED, INCONSISTENT WITH LAWS

ISSUE

State law makes counties responsible for delivery of mental health services to all persons residing within the county. Two city programs continue to receive direct state mental health funding. Services rendered by the city programs are technically outside the purview and oversight of the counties in which they are located.

SOLUTIONS

- *Eliminate the two remaining city level mental health programs.*
 - *Reallocate the mental health funds of the two city-level programs to the respective counties.*
-

PUBLIC COMMENT

3 comments were received for this recommendation. 2 comments expressed support. 1 comment expressed opposition.

Pros

- Specific discussion in support of this recommendation was not received.

Cons

- There is no problem identified with the two existing city mental health programs.

Considerations

- There is a concern for the adequacy of the infrastructure in the impacted counties to assume the activities of the city programs.

HHS 18

RELOCATE THE VOCATIONAL REHABILITATION PROGRAM TO IMPROVE EMPLOYMENT OUTCOMES OF INDIVIDUALS WITH DISABILITIES

ISSUE

Relocating the Vocational Rehabilitation Program together with other employment and training programs authorized by the federal Workforce Investment Act would increase the quality of employment services provided to individuals with disabilities.

SOLUTIONS

- *Move the Vocational Rehabilitation Program from the Department of Rehabilitation, or its successor, to the Employment Development Department (EDD), or its successor.*

PUBLIC COMMENT

5 comments were received for this recommendation. 2 comments expressed support. 3 comments expressed opposition.

Pros

- Specific discussion in support of this recommendation was not received.

Cons

- There is no evidence that the EDD efforts for the disabled are working anywhere near well enough to warrant transferring the program to EDD.
- These programs should remain in the Department of Rehabilitation because the disabled need specialized assistance in their employment and training programs that is not available at EDD.

Considerations

- No testimony submitted.

HHS 19

STANDARDIZE CRIMINAL BACKGROUND REVIEWS IN HEALTH AND HUMAN SERVICES AGENCY

ISSUE

The California Health and Human Services Agency and its various departments employ inconsistent standards for conducting criminal background reviews on individuals applying for licenses or employment.

SOLUTIONS

- *Specify crimes that uniformly bar licensure for or specified employment in, any community care or health facility.*
 - *Require that the criminal background checks conducted by the Department of Health Services be completed before allowing an employee required to undergo the check to be present in a health facility.*
 - *Clarify that an arrest for a serious crime may be investigated as a complaint and that administrative action may be taken for unprofessional conduct should the investigation establish evidence that the person has engaged in conduct that poses a threat to patients.*
 - *The Emergency Medical Services Agency, or its successor entity, should investigate serious misdemeanor arrests, in addition to felony arrests.*
 - *Identify the types of crimes for which a clearance should not be granted to a care provider in any health or social services facility within five years of last conviction.*
 - *Identify whether the class of persons currently required to undergo a background check should be expanded to other employees in a health facility and to emergency medical technicians.*
-

PUBLIC COMMENT

4 comments were received for this recommendation. 1 comment expressed support. 2 comments expressed opposition. 1 comment was neutral.

Pros

- No specific discussion in support of this recommendation was received.

Cons

- Foster care programs need case-by-case waivers on criminal background checks for next of kin placement which is a desirable outcome for foster children.

- The critical program element for background checks is timeliness.
- The impacted populations need to be studied and impacts determined before expanding background checks is considered.

Considerations

- No testimony submitted.

HHS 20

MAXIMIZE REVENUE COLLECTIONS IN THE DEPARTMENT OF HEALTH SERVICES

ISSUE

The current Department of Health Services (DHS) fee and fine collection systems are disaggregated, inefficient and fail to collect all fees due to the state. The absence of a standard set of policies, procedures and controls for these disparate systems, results in critical audit findings.

SOLUTIONS

- *Pursue a strategic redirection of program staff and/or funding to allow for the centralization of all revenue transactions.*
- *Convene an e-business task force to initiate planning for implementation of an Internet-based process for licensing and certification responsibilities and the related fee and fine payments.*
- *Develop a comprehensive requirements document that will serve as the source document for a competitive bidding process.*
- *Invite bids from private business, the DHS Information Technology Services Division and other state agencies.*
- *Amend Health and Safety Code Sections 105190 and 105250, which require the State Board of Equalization to serve as the collection agent for DHS for the Occupational Lead Poisoning Fee and Childhood Lead Poisoning Prevention Fee.*

PUBLIC COMMENT

2 comments were received in support of this recommendation. No opposing or neutral comments were received.

Pros

- There are administrative savings to be achieved by unifying the DHS fee and fine collection systems.

Cons

- No testimony submitted.

Considerations

- There is a concern with duplicate state and federal fees for the same licensure category for reviews with the same substance.

HHS 21

CONSOLIDATE LICENSING AND CERTIFICATION FUNCTIONS

ISSUE

Many different state departments, agencies, and boards are in the business of licensing and certifying health care professionals and facilities and programs both within and outside the Health and Human Services Agency. This results in inconsistent requirements, locations, and oversight for licensing and certification requirements.

SOLUTIONS

- *Consolidate licensing and certification functions affecting delivery of health care services.*
-

PUBLIC COMMENT

95 comments were received for this recommendation. 9 comments expressed support. 85 comments expressed opposition. 1 comment was neutral.

Pros

- Consolidation would be more efficient and streamlined and result in better service.
- The Licensed Vocational Nurse and Registered Nurse licensure programs should be combined.

Cons

- The populations served are too diverse to consolidate licensing activities for facilities and professionals serving those diverse populations. There would be no improvement in service because of the complexity of the licensing and certification programs.
- Licensing for foster care placements should stay with the administration of foster care programs. Child care providers should have a separate licensing agency not joined with other program licensing.

- The inclusion of Department of Social Services Community Care Licensing (CCL) with other licensing programs could worsen CCL services because CCL licensing is less bureaucratic.
- Substance abuse programs are unique and the licensing for these programs should remain within an independent Department of Alcohol and Drug Programs.

Considerations

- There is a need to maintain the program expertise of licensing staff.

HHS 22

ISSUE FEE-SUPPORTED LICENSES WITHOUT DELAY

ISSUE

A variety of professionals and facilities involved in the delivery of health and human services are not able to enter the workforce because of a backlog in processing licenses and certifications required by the state.

SOLUTIONS

- *Fill vacant positions that can be funded from fee-supported licensing and certification activities.*
- *Establish a special fund for the license fees of DHS's Licensing and Certification Division.*
- *Address licensing backlogs by temporary redirection of staff or temporary hires.*
- *Develop recommendations to reduce licensing and certification backlogs to 30 days for applications that are ready for determination or on-site survey.*
- *Initiate special fund license and certification efforts with a loan from the General Fund.*
- *Evaluate raising license fees in categories that do not currently support the licensing work so license applicants who pay for their license can receive them and get to work in a timely manner.*

PUBLIC COMMENT

4 comments were received for this recommendation. 1 comment expressed support. 1 comment expressed opposition. 2 comments were neutral.

Pros

- Specific discussion in support of this recommendation was not received.

Cons

- A simpler solution to the backlog in health facility licensing would be deemed status for any facility accredited by a credible accreditation agency.

Considerations

- A concern is maintaining staff expertise for each of the programs. Licensing programs need staff that understands the programs or facilities to be licensed.

HHS 23

STREAMLINE OVERSIGHT REQUIREMENTS FOR CONDUCTING MEDICAL SURVEY/AUDITS OF HEALTH PLANS

ISSUE

Conducting medical surveys and audits of managed health care plans in California is important to help ensure that persons enrolled in health plans receive high quality, necessary medical care. Some health plans in California, however, undergo costly and duplicative routine medical surveys and audits conducted by state and private entities. This results in a duplication of work for and significant costs to some health plans, and is an inefficient use of state government resources.

SOLUTIONS

- *Require the state to use the results from accrediting organizations where they are equivalent to or exceed the state's standards regarding medical surveys/audits of health plans.*
- *Eliminate duplicative functions related to conducting medical surveys/audits of health plans.*

PUBLIC COMMENT

10 comments were received for this recommendation. 4 comments expressed support. 4 comments expressed opposition. 2 comments were neutral.

HHS 23

"...considerable resources are being spent to respond to multiple audits by various government agencies and private accreditation organizations. This improvement alone, will have tremendous value and permit the use of precious health care resources to be focused on targeted oversight, rather than duplicative processes and checklists."

Steven Tough
President & CEO
California Association of
Health Plans
CPR Commission Hearing

Pros

- There is considerable unnecessary overlap in the current system because of duplicative surveys and audits from the Department of Health Services, the Department of Managed Health Care, and accreditation programs.
- Using surveyors from nationally recognized accreditation agencies for state requirements makes sense because many requirements are similar.

Cons

- Public accountability could suffer because there will be less supervision of managed care activities.
- Health plan audits, as they are now conducted, serve a public purpose to protect and inform consumers.
- The government needs to maintain control of health plans to protect consumers.
- Accrediting entities may not be trustworthy because they are not accountable to the public.

Considerations

- No testimony submitted.

HHS 24

INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES NOT BENEFITING FROM FULL FEDERAL PARTICIPATION

ISSUE

Consistent with other states, California should increase federal financial participation under Medi-Cal by changing the definition of services provided by Intermediate Care Facilities for people with Developmental Disabilities (ICF/DD) to include day program services and transportation.

SOLUTIONS

- *Redefine the Intermediate Care Facilities for people with Developmental Disabilities (ICF/DD) Program to increase federal financial participation.*
- *Request consultation with CMS Region IX on developing all-inclusive ICF/DD rates and obtaining approval of a State Medicaid Plan Amendment.*

PUBLIC COMMENT

All 6 comments received support this recommendation. No opposing comments were submitted.

Pros

- Redefining the ICF/DD program to increase federal financial participation would maximize federal funds to the advantage of the clients. The additional federal funds could be used for other services for clients.

Cons

- No testimony submitted.

Considerations

- There may be unintended consequences of the new all-inclusive rate for ICF/DD facilities that should first be considered, such as control of the funding for services that are now independent of the ICF/DD facilities.

HHS 25

OBTAIN BEST PRICES FOR DURABLE MEDICAL EQUIPMENT

ISSUE

The Department of Health Services (DHS), or its successor, should implement a competitive bid process to purchase all durable medical equipment for the Medi-Cal program at reduced rates through a limited number of providers. This would reduce fraud and lower costs in the program.

SOLUTIONS

- *Contract for the purchase of all durable medical equipment by competitive bid, with a limited number of providers.*
 - *Stipulate that the winning bids must include a weighted average rate reduction in the products offered of 10 percent, and no product should be offered at a price that is above the rate established within Title 22, California Code of Regulations relating to reimbursement rates for durable medical equipment.*
 - *Include all durable medical equipment devices and supplies, including prosthesis and orthotic devices.*
 - *Ensure that Medi-Cal beneficiaries have adequate reasonable access to providers of durable medical equipment.*
-

PUBLIC COMMENT

6 comments were received for this recommendation. 3 comments expressed support. 2 comments expressed opposition. 1 comment was neutral.

Pros

- Contracting for the purchase of all durable medical equipment by competitive bid, with a limited number of providers, is a good method of reducing fraud and reducing costs as long as access to durable medical equipment is not restricted for vulnerable beneficiaries.

Cons

- Contracting for the purchase of all durable medical equipment by competitive bid will not work because clients are far too transient to be served by a local contractor.
- Contracting will limit consumer choice, an important value for the disabled, by limiting the number of providers.
- Contracting will block competition from providers unable to respond to a large contract.

Considerations

- No testimony submitted.

HHS 26

MAXIMIZE FEDERAL FUNDING BY SHIFTING MEDI-CAL COSTS TO MEDICARE

ISSUE

The Medi-Cal program pays for health care for low-income individuals. The Medicare program pays for health care for the elderly and disabled. The federal government pays for a portion of both programs, but pays a larger portion of the costs of health care for people enrolled in both programs.

SOLUTIONS

- *Authorize EDS to develop an outreach program to enroll Medi-Cal beneficiaries with a diagnosis of End Stage Renal Disease, or ALS, into the Medicare program and beneficiaries with Muscular Dystrophy, or MS, into the SSA Title II Disability Program.*
- *Discontinue the current program notifying Medi-Cal beneficiaries of the benefits of applying for Medicare, and redirect staff performing this function to other activities within the department.*

- *Submit the file of potential Medicare eligibles to SSA to identify the number of qualified work quarters and provide this information to EDS. If a beneficiary is married and the spouse's Social Security Number is on file, DHS should also send a request to SSA for the spouse's work history.*
 - *Establish metrics to evaluate the effectiveness of this outreach program. The data should be used to determine whether to extend the period in which EDS can share the savings beyond the two-year timeframe specified in the contract, whether to staff the outreach program with state staff, or whether to discontinue the outreach program.*
-

PUBLIC COMMENT

9 comments were received for this recommendation. 6 comments expressed support. No comments expressed opposition. 3 comments were neutral.

Pros

- Medicare has better access to services than Medi-Cal which will allow Medicare beneficiaries to more readily access services.
- Authorizing EDS to develop an outreach program to enroll Medi-Cal beneficiaries with a diagnosis of End Stage Renal Disease or ALS into the Medicare program and beneficiaries with Muscular Dystrophy or MS into the SSA Title II disability program will increase access to services for persons with these disabilities.

Cons

- No testimony submitted.

Considerations

- Being designated as having "other health coverage" could be a barrier to accessing Medi-Cal services. Medi-Cal could expect the other coverage to pay for care and deny payment for services.

HHS 27

AUTOMATE IDENTIFICATION OF OTHER HEALTH COVERAGE FOR MEDI-CAL BENEFICIARIES

ISSUE

The process used to identify Other Health Coverage (OHC) for Medi-Cal beneficiaries is manual and paper intensive, causing huge backlogs and lost opportunities to avoid expenditures by the Medi-Cal program. In addition, the current process does not capture all OHC information for Medi-Cal beneficiaries.

SOLUTIONS

- *Develop a process to record OHC electronically.*
- *Initiate a process to dis-enroll Medi-Cal managed care beneficiaries who have OHC.*

PUBLIC COMMENT

8 comments were received for this recommendation. 4 comments expressed support. No comments expressed opposition. 4 comments were neutral.

Pros

- Persons with OHC may get better access to care under that coverage.
- Utilizing automation of processes to reduce costs is desirable.

Cons

- No testimony submitted.

Considerations

- Caution needs to be taken that the process does not result in unwarranted dis-enrollment from Medi-Cal and denial of services that are not covered by OHC.
- The scope developing a process to record OHC electronically should be expanded to include all Third Party Liability activities.

HHS 28

IMPROVE INTEGRITY IN MEDI-CAL THROUGH THE USE OF SMART CARDS

ISSUE

The annual cost of fraud and abuse in the Medi-Cal program is in the billions of dollars. Smart cards can validate the identity of a Medi-Cal beneficiary, ensure a service is authorized, and prove that both the provider and the beneficiary were actually present for a claimed Medi-Cal service.

SOLUTIONS

- *Analyze the findings of the Medi-Cal Error Rate Study to determine whether the use of smart cards could be effective for preventing or mitigating Medi-Cal fraud and abuse. If the analysis demonstrates that smart cards would be cost effective, the following recommendations should be implemented:*
 - *Modify the California Welfare and Institutions Code Section 10830.*
 - *Submit a change to the Medicaid State Plan for California, requesting federal approval of 75 percent federal funding for the development, operation, and maintenance of smart cards for the Medi-Cal program.*
 - *Assess the success of the Texas pilot and specifically identify how Texas dealt with implementation issues, such as issuing cards on behalf of children.*
 - *Develop an implementation plan to install smart cards in the Medi-Cal program, including a feasibility study report and a plan to procure a vendor.*
 - *Implement the use of smart cards on an incremental basis, rather than implementing statewide.*
 - *Establish an executive steering committee to establish a governance structure for this project. Members should include individuals from both the provider community and beneficiary advocacy groups.*
-

PUBLIC COMMENT

13 comments were received for this recommendation. 5 comments expressed support. 7 comments expressed opposition. 1 comment was neutral.

Pros

- Smart cards would work best for clinical services because there is less fraud in hospital services.

- Smart cards serve a beneficial purpose if medical data is included on the card because providers would have access to the critical health history information stored on the card.

Cons

- Smart cards will hamper access to services because the fingerprinting identification of clients is not a requirement of any other health care coverage. Providers may drop out of Medi-Cal rather than participate in the fingerprinting process.
- The equipment for the process would be expensive and the time for staff to conduct the fingerprint check on patients would be an additional expensive burden.

Considerations

- Smart cards could be implemented without fingerprinting. Consider using PIN verification instead and waiting for biometric technology to mature.
- Consider establishing a workgroup to solicit input from relevant stakeholders (providers, clients, vendors) on program design.

HHS 29

REDIRECT MEDI-CAL HOSPITAL DISPROPORTIONATE SHARE PAYMENTS FROM HOSPITALS THAT ARE NOT PROVIDING CORE MEDI-CAL SERVICES

ISSUE

The state should redirect payment for hospital inpatient services for Medi-Cal to hospitals providing core Medi-Cal services to low-income Californians and to hospitals making credible plans to achieve seismic safety requirements.

SOLUTIONS

- *Amend Disproportionate Share Funding (DSH) statutes to give the California Medical Assistance Commission (CMAC), or its successor, the authority to discontinue DSH payments to hospitals that do not provide desirable core hospital services, or hospitals that are not developing credible plans to meet seismic safety requirements.*

PUBLIC COMMENT

6 comments were received for this recommendation. 2 comments expressed support. 4 comments expressed opposition.

Pros

- Specific discussion in support of this recommendation was not received.

Cons

- Discontinuing DSH payments to hospitals that do not provide desirable core hospital services would upset the delicate balance of DSH funding for hospitals that are dependent on the revenue to survive and that serve disadvantaged patients.
- The recommendation could harm underserved communities because DSH hospitals are primarily in underserved areas.
- Not all core Medi-Cal hospital services are considered and core Medi-Cal services are not the purpose of DSH funding.

Considerations

- No testimony submitted.

HHS 30

CENTRALIZE MEDI-CAL TREATMENT AUTHORIZATION PROCESS

ISSUE

The Department of Health Services has eight Medi-Cal field offices located throughout the state to process treatment authorization requests. These field offices, which were established prior to the advent of modern technology, are no longer necessary to effectively deliver services.

SOLUTIONS

- *Centralize Treatment Authorization Request (TAR) field office operations.*
 - *Ensure adequate resources are devoted to automating the TAR process as scheduled for July 2005.*
 - *Adopt telecommuting procedures for medical case management nurses currently located in TAR field offices.*
-

PUBLIC COMMENT

9 comments were received for this recommendation. 5 comments expressed support. 4 comments expressed opposition.

Pros

- Centralizing TAR field office operations should reduce wait time for TARs and reduce the number of unnecessary TARs.

Cons

- There should be specialized TAR centers, not a centralized center. In specialized TAR centers, staff with expertise in the specialty can more quickly and reasonably process the TARs for that specialty.
- Centralizing TAR field office operations would negatively impact services by establishing a bigger office farther away from providers of care.
- Centralizing TAR field office operations would cause the loss of local expertise for TARs which are familiar with local care providers and their specialty treatment authorization requests.

Considerations

- Too many Medi-Cal services require a TAR, making treatment of Medi-Cal patients more difficult.

HHS 31

MEDI-CAL FRAUD TARGETING MISSES MARK

ISSUE

Taxpayer dollars are wasted and access to care is threatened in California's Medicaid (Medi-Cal) program because of the burdensome and ineffective anti-fraud strategies used to sign up or "enroll" Medi-Cal providers.

SOLUTIONS

- *Complete the Medi-Cal enrollment error rate study currently underway and publish its results.*
- *Adopt anti-fraud and abuse strategies that are data driven, targeted and specifically related to the findings in the error-rate study, using the fraud and abuse model outlined by Malcolm K. Sparrow.*
- *Revamp the provider enrollment and re-enrollment processes to focus on identified fraud targets and reduce the administrative burden and process timeframes.*

- *Establish a call center within the Provider Enrollment Branch to give information and assistance to Medi-Cal providers or prospective providers in the enrollment and re-enrollment processes.*
 - *Reassess the prevalence of fraud and abuse in the Medi-Cal program utilizing the Sparrow model and make appropriate adjustments to the enrollment and re-enrollment processes.*
-

PUBLIC COMMENT

6 comments were received for this recommendation. 5 comments expressed support. 1 comment expressed opposition.

Pros

- The current anti-fraud activities in provider enrollment are burdensome and they penalize legitimate providers with costly delays.
- Provider enrollment in Medi-Cal is a mess and the proposed solutions should be expanded to fix a badly broken system.

Cons

- Specific discussion in opposition to this recommendation was not received.

Considerations

- No testimony submitted.

HHS 32

TRANSFER THE IN-HOME SUPPORTIVE SERVICES PROGRAM TO THE DEPARTMENT OF HEALTH SERVICES

ISSUE

The state department responsible for administering the In-Home Supportive Services (IHSS) program is not the same department responsible for securing federal reimbursement for that program. Administrative delays experienced between the two departments result in the state not receiving millions of dollars in federal funds.

SOLUTIONS

- *Transfer the IHSS program from the Department of Social Services to the Department of Health Services.*
-

PUBLIC COMMENT

6 comments were received for this recommendation. 1 comment expressed support. 4 comments expressed opposition. 1 comment was neutral.

Pros

- Specific discussion in support of this recommendation was not received.

Cons

- IHSS should remain a social model within the Department of Social Services. A social model, in which services are not delivered by medical professionals and the necessity for services is a social need as well as a medical need, is in the best interests of clients.
- Moving IHSS to the Department of Health Services (DHS) will not secure services for IHSS recipients because DHS is a medical claims payment environment and IHSS is a social model program.

Considerations

- There are too many pending questions, such as future funding of IHSS, that need to be addressed prior to making a major change in its administration.

HHS 33

ELIMINATE DUAL CAPITATION FOR MEDICARE/MEDI-CAL MANAGED CARE PLANS

ISSUE

The state is incurring unnecessary program costs for nearly 1,000 beneficiaries who are enrolled in both a Medi-Cal managed care plan and a Medicare managed plan.

SOLUTIONS

- *Modify Medi-Cal managed care health plan contract language to state that DHS will terminate the capitation if a beneficiary client has certain types of health insurance, including enrollment in a Medicare managed care plan, or develop a blended rate for beneficiaries that are dually capitated, so that the Medi-Cal rate only reflects payment for services not covered by the Medicare program.*

- *Notify the Health Care Options vendor that the state wishes to enforce the existing contract provisions regarding dis-enrollment because of other health insurance.*
 - *Review and analyze the policy to permit County Organized Health System (COHS) beneficiaries to also be enrolled in Medicare health plans.*
-

PUBLIC COMMENT

5 comments were received for this recommendation. 2 comments expressed support. 2 comments expressed opposition. 1 comment was neutral.

Pros

- Specific discussion in support of this recommendation was not received.

Cons

- The proposed solutions may deny a vulnerable population access to needed medical coverage.

Considerations

- Although the proposed solutions are generally supported, there is a concern that beneficiaries could be prematurely dis-enrolled from Medi-Cal.